

**THE FOREST HOMEOWNERS' ASSOCIATION
BY-LAWS
AND
PROTECTIVE COVENANTS
(Amended and restated, June 16, 2007)**

ARTICLE I – PURPOSE

The Homeowners Association is a non-profit Maine corporation established for the purpose of administering the common areas in the FOREST HOMEOWNERS' ASSOCIATION, INC. ("Subdivision"), Wells, Maine, said plan being recorded on February 4, 1999 in the York County Registry of Deeds, at Plan Book 246, Pages 28-31, and as revised and recorded at Plan Book 250, Pages 22-25, and as may have been further revised and recorded, but not mentioned herein, in order to preserve property values and amenities in said community and for the preservation, maintenance, and improvement of open spaces and common facilities.

ARTICLE II – MEMBERSHIP

Every titled owner to a lot in the Subdivision shall automatically be a Member of the Association ("Member") and be entitled to attend all meetings of the Association. By acceptance of a deed to any lot in the Subdivision, each titled owner accepts the provisions of these By-Laws and agrees to abide by all the terms and conditions of these documents. The Association shall have the duty and authority to enforce all of the above documents, as well as the establishment of any additional rules and regulations deemed appropriate to enhance the quality of residential living for the residents and owners of property in the Subdivision.

ARTICLE III – ASSOCIATION MEETINGS

SECTION 1 ANNUAL MEETING. There shall be an annual meeting of the Members of the Association at such time and place as may be designated by the Board of Directors (hereinafter "the Board"), preferably on the third or fourth Saturday of June for the transaction of such business as may come before the meeting. A notice designating the date, time, place, and agenda of such meeting shall be provided to all the Members of the Association a minimum of ten (10) days prior to the meeting.

SECTION 2 SPECIAL MEETINGS. Special meetings of the Members shall be held whenever called by the Board. The Board shall call such a special meeting upon its own vote or at the request of at least fifteen percent (15%) of the Members of the Association. Notice of such special meeting, stating the date, time, place, and the purpose thereof shall be sent by United States mail to all Members of the Association at least thirty (30) days prior to such meeting.

SECTION 3 VOTING. At any meeting of the Members, the owner(s) of any lot shall have one (1) vote for each lot owned. In the event there is more than one (1) owner of a lot, any owner present at any such meeting shall be deemed to have the authority to cast the vote for that lot. In the event that more than one (1) owner is present at a meeting and there is a dispute between

owners as to the manner in which a vote may be cast, each owner may vote the fraction of their vote in proportion to the number of owners listed in the records of the Secretary. Said fraction shall be established solely by the number of owners with no consideration given to the relative value of the ownership interests in the lot.

An authorized representative of any corporate owner may cast the vote(s) for the corporation and the oral representation of such person shall be sufficient to establish such authority.

SECTION 4 PROXY. The vote of another member, on any or all issues, and/or upon such other business as may properly come before the meeting or any adjournment thereof, may be cast by proxy conforming with state law provided the Secretary has received the proxy from the listed owner(s) authorizing a specific person to vote in their absence.

SECTION 5 QUORUM. The presence, either in person or by proxy, of the owners of the lots to which are allocated at least twenty-five (25%) of the votes in the Association shall be requisite for and shall constitute a quorum for the transaction of business at all meetings of members. A majority of the votes of those present or voting by proxy, in any meeting of the Association at which a quorum is present, shall decide any question that may come before the meeting unless noted elsewhere in the Association By-Laws or covenants.

ARTICLE IV – BOARD OF DIRECTORS

SECTION 1 NUMBER OF DIRECTORS. The Association shall be governed by a Board of Directors consisting of a minimum of seven (7) or a maximum of nine (9) directors who shall govern the Association and be responsible for the normal operations of the Association. The directors shall be elected by a vote of the membership.

SECTION 2 ELECTION PROCEDURES. The election of directors to such term shall take place at the annual meeting in June except for vacancies which will be filled in accordance with Section 4. The Directors' term of office shall begin on July 1st following the election unless the term is to fill a vacancy.

SECTION 3 TERMS. Directorship terms shall be staggered, each with a three (3) year term. There shall be no limitation on the number of consecutive terms that a Director may serve.

SECTION 4 VACANCIES. If the office of a director shall become vacant, the unexpired portion of a director's term of office shall be filled by a majority vote of the remaining directors.

SECTION 5 QUALIFICATIONS. A person must be a lot or condominium owner, and in good standing in order to be a Director.

SECTION 6 COMMITTEES. The President shall appoint the members of such advisory committees as she/he or the board deems necessary. Each committee shall be chaired by a Board member. These committees may include but are not limited to Finance, Landscape and Architectural, Community Maintenance and Governmental Affairs. Committee members may be directors or Forest property owners, or others.

ARTICLE V – REGULAR MEETING OF THE BOARD

The Board shall meet for the transaction of business at such place and times as may be designated and voted upon.

ARTICLE VI – SPECIAL MEETINGS OF THE BOARD

Special meetings of the Board may be called by any officer or by any three Members of the Board provided that notice indicating the purpose of the meeting shall be given to each member of the Board a reasonable time prior to such meeting.

ARTICLE VII – QUORUM OF THE BOARD

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any regular or special meeting. In the absence of quorum, a majority of those present at the time and place of any such meeting may adjourn that meeting from time to time without notice until a quorum is established. The act of a majority of directors present at any meeting at which there is a quorum shall be the act of the Board.

ARTICLE VIII – ANNUAL REPORT

The Board of Directors shall provide the Members of the Association with an annual report of the current fiscal year ten (10) days prior to the annual meeting indicating the financial condition of the Association and any relevant information concerning the administration of the Subdivision and its common areas and facilities.

ARTICLE IX – OFFICERS AND THEIR ELECTION

SECTION 1 ELECTION OF OFFICERS. Following the Annual Meeting of the Association, the Directors shall elect officers from the Board Members. These Members shall hold office for a term of one year or until a successor has been duly elected and qualified or until the officer's earlier death, resignation, or removal in accordance with the by-laws. The officers shall be chosen by a majority vote of the Board of Directors.

SECTION 2 PRESIDENT. The President shall be the chief executive officer of the Association and as such shall have general supervision of the affairs and property of the Association and over its several officers, subject to the direction of the Board of Directors. The President shall, if present, preside over all meetings of the Board of Directors and shall generally do and perform all acts incident to the office of President. The President may sign in the name, and on behalf, of the Association all notes, leases, mortgages, deeds, and all other written instruments authorized by the Board of Directors, except where the Board shall delegate the execution thereof to some other office or agent of the Association.

SECTION 3 VICE-PRESIDENT. The Vice-President shall carry out the duties of the President in the event of the President's inability to attend meetings, resignation, removal from office, or early death.

SECTION 4 SECRETARY. The Secretary shall act as Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a file to be kept for that purpose. The secretary shall record the names and addresses of all Members of the Association, shall see that all notices are fully given as required by the By-Laws or applicable law, rules and regulations, administrative policies and/or procedures.

SECTION 5 TREASURER. The treasurer shall receive and cause to be deposited in bank accounts approved by the Board all monies of the Association and shall disburse such funds as directed by a resolution of the Board; however, a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the overall limits of a budget adopted by the Members of the Association at the Annual Meeting or subsequent special meeting(s).

SECTION 6 BOOKS AND ACCOUNTING. The Treasurer shall keep proper books of account for all operations of the Association and shall be responsible for the preparation of an annual balance sheet, which shall be presented to the Members ten (10) days prior to its Annual Meeting.

Upon a vote of the Board, the Treasurer shall engage an accountant to do a compilation or review of the Association's books at the completion of the fiscal year. Upon a 60% vote of the Association, an audit shall be conducted. The review or audit shall be performed by a Certified Public Accountant who is neither a Board Member nor a Member of the Association. The costs of the review or audit shall be borne by the Association.

ARTICLE X – COMMON CHARGES AND SPECIAL ASSESSMENTS

SECTION 1 ASSOCIATION BUDGET. The Board shall prepare annually a budget for administration of the Subdivision to include the expenses of the Association. The fiscal year of the Association shall be the period July 1 to June 30th. Copies of the budget shall be distributed to all Members at the address on the Secretary's list no later than ten days prior to the annual meeting. The budget may include such amounts as the Board may deem proper for working capital, general operating reserve, reserve for replacements, or any amount necessary to make up a deficit for any prior year. All dues paid in accordance with these By-Laws shall remain the property of the Association, and no refunds or rebates shall be made except as specifically authorized by the Board.

SECTION 2 PAYMENT OF COMMON CHARGES. All lot owners shall be obligated to pay on a semi-annual basis, or as determined by the Board, the common charges assessable to each lot.

A new homeowner is obligated to pay its share of that year's common charges based upon the Annual Budget and prorated at the time of closing and payable at the transfer of title.

SECTION 3 SPECIAL ASSESSMENT. The Board shall be authorized to assess the Members of the Association on an equal basis for unusual or extraordinary expense not anticipated in the budget or for additional expenses resulting from miscalculation in preparation of the budget. Such

assessments shall be payable within thirty (30) days of receipt of notice from the Board or in such other manner as the Board shall determine.

SECTION 4 DEFAULT IN PAYMENT OF COMMON CHARGES OR ASSESSMENT.

This section shall be governed by sections 5.05 and 5.06 of the Declaration.

SECTION 5 ENFORCEMENT POWER. This section shall be governed by section 5.08 of the Declaration.

ARTICLE XI – FAILURE TO ENFORCE PROVISIONS

The failure of the Association, in any instance, to insist upon the strict compliance with any terms, covenants, restrictions, or conditions shall not be construed as a waiver or relinquishment of the enforcement powers granted by these By-Laws with regard to any future violations or noncompliance.

ARTICLE XII – NON-LIABILITY OF DIRECTORS AND OFFICERS

The Members of the Board of Directors and the Officers of the Association, or their authorized agents, shall not be personally liable to any lot owner(s) for any mistake of judgment, negligence, or otherwise in the performance of their duties in those capacities except for their own individual willful misconduct, gross negligence, or bad faith. The Association Members shall indemnify and hold the Directors and Officers, as well as their authorized agents, harmless from any and all contractual liability arising out of any contracts entered into in good faith on behalf of the Association, as well as from the expense of any legal action taken against them resulting from actions taken in their official capacity where no liability is found.

ARTICLE XIII – AMENDMENT

The By-Laws may be amended by a vote of not less than sixty percent (60%) of the owners of lots in the Subdivision voting in person or by proxy at a meeting of the Association specifically called for that purpose, or at an annual meeting, with proper notice having been given of a proposal to amend these by-laws

ARTICLE XIV – NOTICES

Any notice required to be sent to any Association member under the provisions of these By-Laws, any Rules and Regulations, or the Protective Covenants and Restrictions shall be deemed to have been properly sent when deposited in the United States Post Office at Wells, Maine, addressed to the lot owner(s) at the address contained in the Secretary's records and postmarked at least ten (10) days prior to said meeting, or shall be deemed to have been properly sent when delivered by hand and signed for by the lot owner.

ARTICLE XV – INVALIDITY

The invalidity of any article or section of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of the Articles.

ARTICLE XVI – RESOLUTION AND DISPUTES

In the event of a dispute arising with regard to any of the provisions of these By-Laws, the Protective Covenants and Restrictions, or any Rules and Regulations passed by the Association or the Board, between any owners, mortgagees, officers or directors, or any party involved shall first cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, the party requesting the arbitration will give immediate notice thereof to the Association, which shall notify all other interested parties as promptly as possible. The decision of the arbitrator shall be final and conclusive upon all of the parties. The arbitrator may include in his/her determination an award for costs and/or attorney's fees against any one or more parties as deemed appropriate.

These by-laws are hereby adopted as and for the By-Laws of the Forest Homeowners' Association 16th day of June, 2007.

The Forest Homeowners' Association, Inc.

By: _____